

## **Mason City Globe Gazette: Iowa congressmen seeking tax relief for flood victims**

By James Lynch

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DES MOINES-Iowa congressmen are seeking an extension of tax relief measures for Iowans harmed by the 2008 floods, tornadoes and severe storms.

The legislation introduced by Sen. Chuck Grassley and Reps. Bruce Braley and Dave Loebsack from Iowa's 1st and 2nd districts, respectively, would provide one-year extensions for:

- Victims to repair their home or purchase a new one using funds withdrawn from retirement plans with no tax penalties.
- Victims to repay borrowed funds from their retirement plans without penalty.
- Victims with cancelled mortgage debt so they will not have that debt counted as taxable income.

As a result of the June 2008 floods and the economic downturn "Iowans are still struggling to rebuild their homes," said Loebsack, a Mount Vernon Democrat. "Far too many Iowans are at a standstill, waiting for their housing situation to be resolved."

Grassley, a Republican, who introduced the measure in the Senate last month, called its approval a matter of fairness. Congress continues to extend tax relief to the victims of Hurricane Katrina in 2005 and Iowans "deserve equitable treatment."

"This tax relief was meant for disaster victims. Through no fault of their own, many people haven't been in a position to use it," Grassley said.

Iowa congressmen were involved in crafting the Heartland Disaster Tax Relief Act of 2008, which included a \$4.6 billion disaster tax relief package exclusively to help Iowa and nine other Midwestern states recover and rebuild from the spring 2008 floods and tornadoes.

However, several tax provisions will expire after Dec. 31.

"It's important that Congress continue to offer assistance to Iowa's families," Braley said, adding the extension will help Iowans "as they continue to rebuild their homes and strengthen our communities."